

VZCZCXYZ0023
RR RUEHWEB

DE RUEHSG #1075/01 3451513
ZNR UUUUU ZZH
R 101513Z DEC 08
FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 4058
INFO RUEHAC/AMEMBASSY ASUNCION 3662
RUEHBO/AMEMBASSY BOGOTA 2202
RUEHBU/AMEMBASSY BUENOS AIRES 1173
RUEHBR/AMEMBASSY BRASILIA 0567
RUEHCV/AMEMBASSY CARACAS 1869
RUEHPE/AMEMBASSY LIMA 5842
RUEHMN/AMEMBASSY MONTEVIDEO 4126
RUEHQT/AMEMBASSY QUITO 2010
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC

UNCLAS SANTIAGO 001075

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)
SUBJECT: CHILE MEDIA REPORT - DECEMBER 7-10

Lead Stories

1. Chilean newspapers highlighted likely cabinet changes that will take place today. Dailies also highlighted the victory of the U.S. team in the Under 20 Women's Soccer World Cup. Headlines continue to give coverage to the impasse between Chile and Peru and Foreign Minister Alejandro Foxley's role in this conflict.

U.S.-Related Stories

2. Interview with Admiral James Stavridis, U.S. Southern Command Commander, entitled, "Venezuela is not a Threat for the United States." Asked why the image of the United States has deteriorated in the region, Stavridis said, "I disagree with that premise. In my trips to the region I have found excellent military relation, not just with Chile, but also with Nicaragua, Bolivia, Argentina, and other countries." Asked about Venezuelan-Russian exercises in the Caribbean, and what he believes are the main threats to the region, the officer said, "We have a dialogue with Venezuelan officers. Southcom has looked for a chance to conduct exercise with Venezuela's military and I consider these relations as professional and cordial (...). The Russian Fleet has a global project; these exercises with Venezuela concern only those countries. I don't see Venezuela as a military threat. Russian presence is not a problem. The main threat is poverty... because other problems stem from it, such as crime and narcotics trafficking. We would like to see a joint effort to minimize that scourge." On the closure of the Manta base in Ecuador, the Admiral said, "We will simply have to re-accommodate our forces in other countries, such as El Salvador (La Tercera, conservative, independent, 12/6).

3. All dailies covered the U.S. team's victory in the Women's Under 20 soccer World Cup: "U.S. swept with all the awards in the Under 20 Women's Soccer World Cup" -- "No competition for the Gringas" (El Mercurio, 12/8); "U.S. clearly showed that it is of the First World -- The Americans defeated North Korea 2-1" (La Cuarta, 12/8); "The Americans were Best at Everything." Not only did they take the cup with them, they also swept with all the individual awards. Those who spent time with them said they displayed friendliness and good manners on and off the field (La Tercera, 12/8); U.S. Women's Soccer Team Visits La Moneda Presidential Palace. Minister Spokesman Francisco Vidal greeted them (La Tercera, 12/9); "U.S. Team conquers all -- Gringuitas win the cup and everyone's hearts (La Tercera, 12/8).

4. Chilean Ambassador to the U.N. Heraldo Muoz talks about reactions in the international organization to Obama's future

cabinet members. On Susan Rice: "The reaction is positive, because... she will have a cabinet position, which is the same rank this office had in the Clinton administration with Madeleine Albright, with direct access to the President." On Hillary Clinton: "She is remembered for her negotiating skills" (La Segunda, conservative, afternoon, circ. 33,000, 12/ 5).

¶5. Beginning in January 2009, an array of Chilean frozen and canned vegetables will begin entering the U.S. market with zero tariffs. This is the result of recent talks between the two countries to move forward the 12-year gradual tariff elimination program set in the bilateral FTA that came into effect in January 2004. Carlos Furche, head of the Foreign Ministry's International Economic Relations Department, Direcon, said the talks show that it is possible to expand the FTA ahead of time when both parties benefit (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 12/8).

¶6. UDI Congressman Rodrigo Alvarez will become the first opposition congressman to chair the Chamber of Deputies in 50 years and the first "Harvard Boy" to hold that office. Alvarez holds a Masters degree from the Harvard School of Law (El Mercurio, 12/7).

¶7. The 52-story Titanium Tower will be finished in mid- 2009. It will be the highest building in the country, at least for a few months. Just two blocks from it is the Costanera Center, which is still under construction and is also programmed to be finished around the same time. The Costanera will be ten stories higher than the Titanium. (Note: the Titanium is right across the street from the Embassy, El Mercurio, 12/7).

¶8. 48% of CEOs polled by Miller & Chavalier in Latin America and the United States said that corruption is a "significant obstacle" to doing business in Bolivia and Venezuela. The United States, Chile, and Costa Rica were ranked as the most transparent countries in which to do business (La Tercera, 12/10).

Chile-Peru

¶9. Chilean congressmen are outraged at Peruvian Foreign Minister Jos Garcia Belaunde, who said Chile should eliminate the law that allocates 10% of copper revenues to the armed forces. Garcia said this would "contribute to peace in the region."
"This is an intervention in Chile's internal affairs," said Congressman Jorge Tarud (PPD), echoing the feeling of many others. The GOC also rejected the remarks. Minister Spokesman Francisco Vidal labeled Garcia's comments as "unacceptable intromission in Chile's internal affairs." Vidal urged both countries to put the incident behind them and to look to the future (El Mercurio, 12/8-12/9).

¶10. The GOC has closed the impasse with Peru caused by General Edwin Donayre's inflammatory remarks. However, it stands by its position that Peru should have immediately retired the General for his remarks (El Mercurio, 12/6).

¶11. Peruvian President Alan Garcia criticized Chilean Foreign Minister Alejandro Foxley for "demanding" the immediate retirement of General Donayre for his inflammatory remarks about Chile. "Just as General Donayre's words were unfortunate... so were the remarks by a foreign minister (Foxley) saying, 'I order you to do this or that'" said President Garcia (La Segunda, conservative, afternoon daily, 12/5).

¶12. Former Army Commander-in-Chief Juan Emilio Cheyre said on the diplomatic impasse: "The half truths and slanted views of this incident have hidden the true problem, which is that Peru and Chile have been unable to develop a mature and fully integrated relationship" (La Segunda, 12/5).

¶13. Peru is accusing Foreign Minister Alejandro Foxley of escalating the conflict over General Donayre to strengthen his position in the cabinet. President Bachelet phoned Foxley on November 27 alarmed by the reports of General Donayre's remarks that any Chilean who entered Peru would leave "in a box," or "in a plastic bag," but especially by the comment that Peruvian women should be used as human bombs against Chilean soldiers. She then

instructed Foxley to demand the General's immediate retirement. Foxley phoned his Peruvian counterpart Jose Garcia the following morning to relay the message, but did not forewarn that he would go to the press. Garcia had no time to report to the President about his conversation with Foxley and accused the Chilean Minister of using the impasse to strengthen his position in the cabinet. Foreign Ministry officials dismissed this noting that Foxley was simply following Bachelet's instructions and that Congress and the International Relations Council have strongly supported Foxley. Foreign Ministry officials said bilateral relations between both countries have been damaged and that Lima will have to take the first step to repair them (La Tercera, 12/7).

¶14. Foreign Minister Alejandro Foxley received the full support of the Defense and Foreign Relations committees in Congress with regard to his position on the impasse with Peru over General Edwin Donayre's inflammatory remarks against Chile. In the meeting, Foxley said that Chile must not lose sight that Peru has a pending litigation against Chile in the International Court of Justice in The Hague over maritime borders, which could bring further tension to the bilateral relationship (El Mercurio, 12/10).

Local Politics

¶15. The mayors who were elected in the October 26 election take office today (El Mercurio, 2/6).

¶16. A study conducted by the Ministries of Interior and Justice reveals that 60% of crimes committed in Chile end up with no charges and that only 1.2% of those cases end up with a sentence. Under Secretary of Interior Felipe Harboe said this shows the need to strengthen investigative skills in the police (La Tercera, 12/7).

¶17. President Bachelet has only until today at midnight to make a cabinet change, because that is the legal deadline for those who wish to run for Congress to leave office. Possible changes are Under Secretaries Felipe Harboe (Interior), Arturo Barrios (Culture), and Augusto Prado (Government); Labor Minister Osvaldo Andrade and possibly Government Spokesman Vidal. Foreign Minister Alejandro Foxley will stay (All dailies, 12/10).

¶18. The U.N. Economic Commission for Latin American and the Caribbean, ECLAC, released yesterday its annual report on social indicators. The report shows that Chile has fulfilled 100% of the Millennium Goals with regard to lowering poverty. On the topic of youth and violence, Chile has one of the lowest rates of youth deaths by homicide in the region (15 for every 100,000), compared to countries such as Brazil, where the rate is 176 per 100,000. The implementation of programs such as the Explicit Health Guarantees Program, AUGE, and provisional reforms would explain Chile's improvement (La Nacion, government-owned, editorially independent, circ, 4,200, 12/10).

Public Opinion Polls

¶19. La Tercera's poll -- conducted after Ricardo Lagos announced he would not be a presidential candidate -- shows that opposition candidate Sebastian Piera leads the presidential race in both a first round and a runoff election, regardless of the challenging candidate. To the question, "If the presidential election were this Sunday, who would you vote for?": Piera received 47% support from those polled, Jose Miguel Insulza 29%, and Alejandro Navarro (leftist bloc) 7%. In a race against Frei, Piera scored 46%, Eduardo Frei 26%, and Navarro 8% (La Tercera, 12/7).

¶20. Universidad del Desarrollo conducted its own survey. "In a first round, who would you vote for?": Piera received 45%, Frei 30%, Adolfo Zaldívar 3%. Using the same question, but with Insulza as a candidate, the poll showed: Piera received 46%, 24% Insulza, 6% Adolfo Zaldívar (La Segunda, 12/5).

Education

¶21. The Senate passed the General Education Law with 29 votes in favor and 7 against. The bill "doesn't address the main issue, which is that education has turned into a business," said PS Senator Carlos Ominami. PPD Guido Girardi and PS Jaime Gazmuri criticized the absence of specific proposals in the bill to strengthen public education (El Mercurio, 12/10).

Media

¶22. In just a few months daily El Pinguino de Punta Arenas has won 65% of the market in the Magallanes Region. It sells 7,400 newspapers a day and 10,000 on the weekend, surpassing the circulation of La Prensa Austral, which has been in circulation for 70 years in a city of 130,000 inhabitants. Mauricio Vidal is the young journalist behind the initiative (Estrategia, business and financial, circ. 30,000, 12/10).

Terrorism

¶23. Editorial entitled, "The War on Terrorism": "When the Basque ETA murdered a renowned entrepreneur a week ago... it looked as if Spanish and French joint intelligence had been setback.... (But) The never-ending and strong fight against terrorist activities deployed by Spain and France is a model that many countries, including ours, should follow. The ETA's methods... are similar to those used by the FARC in Colombia and indigenous radical groups in southern Chile, whose ties to the ETA have been repeatedly denounced" (El Mercurio, 12/10).

URBAN